



S.B. 280 Retail Facility Amendments (*Vickers*)

Summary of Legislation

February 18, 2025

Background/Need:

- Before 2022, cities were racing to the bottom to attract a retailer like Costco, giving away unreasonable tax revenues to determine which side of the street it would build on.
- In 2022, we passed legislation to stop this behavior, only allowing “retail facility incentives” in narrow circumstances.
- The chilling effect of that legislation, combined with some unclear provisions, made cities afraid to engage with retailers at all.

What the Bill Does:

- Respects the compromises made in 2022 HB 151 to ensure we do not go backward.
- Clarifies that the Governor's Office of Economic Opportunity may not offer a retail facility incentive payment (lines 44-47).
- Makes affordable housing definitions consistent with other provisions in code, including the definitions of “moderate income housing” (lines 49-51) and thresholds for area median income (lines 124-125).
- The 2022 provisions only allowed retail facility incentives for mixed-use developments with an affordable housing component. This bill allows adjacent developments within a $\frac{1}{4}$ mile radius of the retail development to count so a city can put together deals that include multiple developers (lines 127-134).
- The definitions in 2022 HB 151 contained some confusing cross references. To clarify, this bill pulls items out of cross references to spell out the types of activities a local government can engage in that do not count as a retail incentive (such as building public water facilities, roads, etc.). These are non-substantive changes (lines 149-178).
- Provides a safe harbor for local governments that make a good-faith effort to comply with the statute. The bill requires the Governor's Office of Economic Development to review local reports on retail incentives. If GOEO does not identify problems with the incentive within six months, the local government is presumed to comply with the statute (lines 218-232).